

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2711

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Date: 3/5/2013

Measure Description:

Establishes Oregon School Facilities Task Force.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Oregon State Treasurer

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

House Bill 2711 establishes the 15-member Oregon School Facilities Task Force charged with conducting a study on the status of public school facilities and making recommendations regarding the capital needs, and the funding of those needs for public school facilities. The task force is required to submit a report to the Legislative Assembly no later than March 1, 2015. The task force sunsets on January 2, 2016. The bill contains an emergency clause and is effective on passage.

Department of Administrative Services (DAS)

At this time, the fiscal impact of this bill on DAS is indeterminate. The bill appropriates an unspecified amount from the General Fund to the Department of Administrative Services to support the work of the task force, including conducting a study of the architectural, mechanical, electrical, structural and environmental status of public school facilities. Based on the results of this study, the task force is required to recommend funding mechanisms to meet the capital needs identified. DAS is authorized to hire employees or contract with consultants as necessary to carry out the requirement of the bill.

If the bill passes, DAS anticipates establishing two limited duration positions [one Operations and Policy Analyst 4, and one Administrative Specialist 2] to support the work of the task force, and to manage the assessment of public school facilities. Personal Services, and related Services and Supplies for these positions are estimated to be \$425,648 General Fund [2.00 FTE] for the 24 months of the 2013-15 biennium; and \$106,412 General Fund [0.50 FTE] for the six months 2015-17 biennium.

In addition, DAS anticipates outsourcing the architectural, mechanical, electrical, structural and environmental assessment of over 1,300 public school facilities. At this time, the cost of this assessment is indeterminate depending on the scope of the study. As a point of reference, DAS provides the following information: Extrapolating from a plan proposed by the Oregon School Facilities Task Force established by HB 2013 (2009), and using broad estimates from several consultants, DAS calculates the Professional Services expenditures to conduct this assessment can range from \$2.3 million to \$13.7 million depending on an amalgamation of factors including:

1. The number of school facilities that require assessment. For example, a number of schools have been constructed within the last few years throughout the state, and the Portland Public School District recently completed its own assessment as part of a long range facility plan for repair and replacements of Portland schools. If the task force decides to exclude from the study school facilities that have been built within a certain number of years or schools that have undergone similar assessments within a certain number of years, this would lower the cost of the assessment.

2. The size and condition of each school facility; and the scope and level of each assessment: One international building assessment consultant provided DAS with a rough estimate of range of costs that depend on whether each facility inspection requires a basic Level I or a Level II inspection. A Level II inspection includes hazardous materials (e.g. asbestos) assessments. A Level I inspection is priced roughly at \$0.03 per square foot. A Level II inspection is priced roughly at \$0.18 per square foot. DAS estimates there are 1,304 schools in Oregon. The approximate gross square footage of all 1,304 schools is about 77 million square feet.

Oregon State Treasurer

The fiscal impact of this bill on the State Treasurer is anticipated to be minimal. The bill requires one member of the task force to be a designee of the State Treasurer. The office anticipates using existing staff and resources to serve the task force in an advisory role.

This bill requires budgetary action for expenditure appropriation and position establishment.